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RUEHGV/USMISSION GENEVA PRIORITY 1489
RUCNDT/USMISSION USUN NEW YORK PRIORITY 2392
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C O N F I D E N T I A L SECTION 01 OF 02 KATHMANDU 000303

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SUBJECT: MAOISTS SHAKEN BY UNREST IN TERA

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d)

Summary

11. (C) USAID-contracted peace facilitator Hannes Siebert told the Ambassador February 2 that the Maoist leadership had been shaken by the unrest in the Terai. Government officials, meanwhile, were struggling to make sense of the situation and respond appropriately. The peace facilitator agreed with the Ambassador that the Constituent Assembly process had to be much more consultative than the peace process had been to date. Siebert also indicated that the visit of UN High Commissioner for Human Rights Louise Arbour had prompted forward movement on the Truth and Reconciliation Commission, including from the Maoists.

Terai Has Maoists Worried

12. (C) On February 2, USAID-contracted peace facilitator Hannes Siebert informed the Ambassador that the ongoing unrest in the Terai had shaken the Maoist leadership. They had not anticipated, he said, that the protests would become so large and so sharply critical of the Maoist movement. Senior Maoists were worried they would lose their base in the populous border region. The Ambassador concurred that the Maoists were running the risk of losing the Eastern Terai -- the focal area of unrest -- completely. That was why, Maoist Supremo Prachanda, the Ambassador added, had felt compelled the evening before to give a press conference at which he did what amounted to an about face. Prachanda had abandoned his previous stance of condemning the Madhesi People's Rights Forum and particularly the Maoist splinter Janatantrik Terai Mukti Morcha (People's Terai Liberation Front) as "black hands" who should be crushed to calling for dialogue. The Maoists, the Ambassador stated, had no choice.

Government At a Loss

13. (C) Siebert spoke of the general "sense of confusion" that prevailed in the Government. One senior Government secretary had told him: "Ambassador Moriarty is the one person holding up Prime Minister Koirala against the Maoists." The

Ambassador noted that Indian Ambassador Mukherjee was doing the same, albeit quietly. The peace facilitator stated that Nepali officials had been very concerned by the Prime Minister's initial plan to put Home Minister Sitaula in charge of talks with the Madhesis. The Ambassador agreed that it would have been a mistake and cited with approval the PM's subsequent appointment of Agriculture Minister Thakur, a Madhesi, instead. Siebert said his office was helping the Government by "mapping" the relationships between the various parties to get a handle on who was meeting with whom, to try to avoid misunderstanding and duplication.

Need for Open Process Highlighted

14. (C) Siebert and the Ambassador shared the view that it had been an error for the Prime Minister to announce in his nationwide address on January 31 what he planned to do for the Madhesis before he had consulted Madhesi leaders. Unfortunately, as the Ambassador pointed out, this was par for the course. One reason why, he said, the Madhesis were taking to the streets to protest was because they had no confidence that decision makers in Kathmandu, who were overwhelmingly "Pahaadis" or people of the hills, would consult them. This was one of the problems with the Interim Constitution: it had been negotiated behind closed doors by a small group with limited input. Siebert agreed about the need for a consultative process. If Nepalis, he remarked, knew that the Interim Constitution negotiators had considered perhaps twenty suggestions submitted by outsiders and ignored hundreds of others, they would be outraged. That was why he was trying to obtain materials on constitutions for the Law Commission which was tasked with preparing for the

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Constituent Assembly.

Truth and Reconciliation Commission Discussed

15. (C) The USAID-contracted peace facilitator stated that he had been delighted by the steps forward in recent days to flesh out a planned Truth and Reconciliation Commission. Prompted in large part by the visit to Kathmandu of UN High Commissioner for Human Rights Louise Arbour, the Government Peace Secretariat had organized a day-long discussion for over a hundred representatives from the Government of Nepal, political parties, civil society, including the Chief Secretary, the Defense and Home Secretaries, and Maoist

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leaders. Harsh words and accusations had been exchanged, which was wonderful, Siebert believed. This had to happen. "First, we should have a bonfire," then people could get down to the difficult task of formulating what a Truth and Reconciliation Commission would do. The Maoists, who had been talking about impunity, he indicated, were starting to realize what they had gotten into by agreeing to a commission. The Japanese and Germans had already expressed interest in providing preliminary funding.

Comment

16. (C) Siebert's comments on the confusion in Government circles and among the Maoists on how to deal with the Madhesi unrest were on the mark. In conversations in recent days with advisors close to Prime Minister Koirala (septel), we have urged that the Prime Minister take the opportunity of another nationwide address to announce stronger, clearer steps. One option would be for the PM to fire Home Minister Sitaula, but, we are also pressing for the PM to announce and lead roundtable discussions in regional capitals and Kathmandu for representatives from marginalized groups, including Madhesis as well as ethnic communities ("Janjati"), Dalits and women. If the Government does not want the unrest

to spread beyond the Terai to other parts of the country, it will need to show it is serious about an inclusive process, not just in the Constituent Assembly itself but in the formulation of the laws that will guide the Constituent Assembly election.

MORIARTY